



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

NR0176E1

-
24th Session
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O. Eng.

Brussels, 5 July 2001.

PROPOSAL BY THE US ADMINISTRATION TO AMEND THE NOMENCLATURE
CONCERNING CUT FLOWERS OF HEADING 06.03

(Item III.A.8 on Agenda)

Reference documents :

NR0153E1 (RSC/23)
NR0165E2, Annex D/2 (RSC/23 – Report)

I. BACKGROUND

1. At its 23rd Session, the Sub-Committee agreed to have only a preliminary discussion on this agenda item.
2. Several delegates pointed out that their countries had already introduced national subheadings for certain cut flowers, including carnations, chrysanthemums and roses, in their tariffs. They could therefore endorse the US proposal to insert subheadings for these cut flowers in the HS Nomenclature. No objections were voiced as to the US proposal and there appeared to be a broad consensus in favour of it.
3. One delegate pointed out that the classification of different cut flowers, presented as mixed bouquets, had created a problem in her administration. Her administration might therefore submit a new proposal in this regard.
4. Another delegate indicated his administration's desire to consider whether other flowers should be specifically identified.
5. Subject to the above, the Sub-Committee agreed to continue discussion of this agenda item at its next session.
6. At the time of preparation of this document, the Secretariat has not received any new proposals with regard to the classification of cut flowers put up as mixed bouquets.

File No. 2842

7. On June 27 the Secretariat received a proposal from the Japanese Administration to modify the US proposal by inserting a new subheading for “orchids” in heading 06.03. The Japanese proposal is reproduced below.

II. NOTE FROM THE JAPANESE ADMINISTRATION

8. “At the 23rd Session of the Review Sub-Committee, the US proposed that subheading 0603.10 be subdivided for carnations, chrysanthemums and roses. Japan would like to modify the US proposal by inserting a new subheading for “orchids”. The value of imports in Japan is about US\$ 58 million and the estimated value on the world basis could be more than US\$ 100 million, clearly exceeding the threshold for the creation of new subheadings.

Heading 06.03.

Subheading 0603.10.

Delete and substitute :

Fresh :
 0603.11 Carnations
 0603.12 Chrysanthemums
 0603.13 Roses
 0603.14 Orchids
 0603.19 Other

Japan imports of Cut Flowers 2000

Items	CIF Value (US\$)
Orchids	\$57,830,000

Source : Trade Statistics by Ministry of Finance, Japan.”

III. SECRETARIAT COMMENTS

9. The Secretariat has no objection to include a reference to “orchids”. As pointed out by the Japanese Administration, the trade, on a world basis, in orchids is most certainly well above US\$ 100 millions. However, in addition to the proposal from Japan above, the Secretariat would like to offer the following amendments to the US proposal :

Mixed bouquets

10. Like the delegate referred to in paragraph 3 above, the Secretariat is also of the view that the US proposal might create difficulties with regard to the classification of bouquets consisting of two or more different cut flowers. Under the US proposal, mixed bouquets can be classified in five different subheadings, depending on the composition of the bouquet in question. A bouquet, e.g., consisting of carnations and roses could, in the Secretariat’s view, be classified in subheading 0603.11 or 0603.13, by application of GIR 3 (b) (and GIR 6), or in subheading 0603.13, by application of GIR 3 (c) (and GIR 6), depending on the composition of the bouquet in question. To avoid this problem, the Secretariat would propose to change the US proposal for subheading 0603.19 to read “other, including mixed bouquets”, in order to group all mixed bouquets in the same subheading.

11. The Secretariat reminds the Sub-Committee that provisions already exist in HS subheadings for mixed products, e.g., in Chapters 7 and 20 where subheadings have been established for mixtures of vegetables (subheadings 0711.90, 2004.90 and 2005.90).

Latin names

12. Furthermore, the Secretariat is of the opinion that references to Latin names could be included in the proposals. There are many species of these flowers on the market - of a wide variety of shapes, sizes and colours. Latin names have been used in other Chapters to make texts easier to interpret (e.g., Chapters 3, 7 and 8). The Secretariat therefore suggests that a similar methodology be used with regard to the subheadings for carnations, chrysanthemums, roses and orchids. Thus, the Secretariat offers the following alternative proposal :

- Fresh :
- 0603.11 - - Carnations (*Dianthus caryophyllus*)
- 0603.12 - - Chrysanthemums (*Dendranthema x grandiflora*, *Chrysanthemum x morifolium*)
- 0603.13 - - Roses (*Rosa*)
- 0603.14 - - Orchids of the *Orchidaceae* family
- 0603.19 - - Other, including mixed bouquets.

IV. CONCLUSION

13. The Sub-Committee is invited to examine the proposals of the US Administration and the Japanese Administration, taking into account the comments by the Secretariat in paragraphs 9 to 12 above.
